

ORIGINAL



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MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

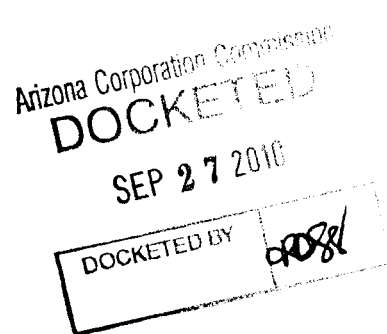
DATE: September 27, 2010

RE: STAFF REPORT FOR THE SLEEPY HOLLOW MOBILE HOME ESTATES
APPLICATION FOR APPROVAL OF THE CANCELLATION OF
CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO: W-
02822A-10-0296)

Attached is the Staff Report for the application of the cancellation Certificate of Convenience and Necessity for Sleepy Hollow Mobile Home Estates. Staff recommends approval with conditions.

SMO:KMS:red

Originator: Kiana M. Sears



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2010 SEP 27 A 10:01
DOCKET CONTROL

Service List for: SLEEPY HOLLOW MOBILE HOME ESTATES.
Docket No. W-02822A-10-0296

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

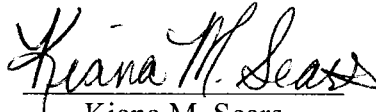
DOCKET NO. W-02822A-10-0296

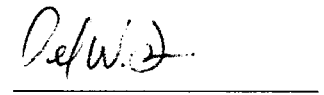
APPROVAL OF CANCELLATION OF CERTIFICATE OF
CONVENIENCE AND NECESSITY OF THE SLEEPY HOLLOW
MOBILE HOME ESTATES

SEPTEMBER 27, 2010

STAFF ACKNOWLEDGMENT

The Staff Report for Sleepy Hollow Mobile Home Estates, Docket No. W-02822A-10-0296 was prepared by the Staff members shown below.


Kiana M. Sears
Executive Consultant I


Del Smith
Utilities Chief Engineer

EXECUTIVE SUMMARY
SLEEPY HOLLOW MOBILE HOME ESTATES
DOCKET NO. W-02822A-10-0296

On July 19, 2010 Sleepy Hollow Mobile Home Estates ("Sleepy Hollow" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for approval to cancel the Certificate of Convenience and Necessity ("CC&N") of Sleepy Hollow. Sleepy Hollow is an Arizona non-profit corporation, and was granted a CC&N on November 28, 1995. Sleepy Hollow is a ten acre mobile home park, with approximately 283 spaces, located in the City of Tucson ("City"), Pima County, Arizona.

Sleepy Hollow explains that it is applying for a cancellation of their CC&N because the Company's well has run dry. Pima County Department of Environmental Quality ("PDEQ") has placed the Sleepy Hollow water system, Arizona Department of Environmental Quality ("ADEQ") Public Water System ("PWS") ID No. 20-094, on inactive status. The PDEQ notice referenced that the Company well has been shut down and that a permanent connection has been established with the City's water system. Arizona Department of Water Resources ("ADWR") placed Sleepy Hollow on inactive water provider status as of August 23, 2010. Sleepy Hollow is within the ADWR Tucson Active Management Area. ADWR reported that at the time of inactivation the Company was in compliance with Departmental regulations governing water providers.

The Company informed Staff that the well which was drilled in 1947 "is dry", that "... with all the regulations it is not profitable to run its own private well" and that the Company has a permanent connection to the City and has no plans to open the Company's water well in the future. Staff understands that the Company no longer reads any customer meters and that water service is included in the mobile home park rental fee. Staff has been in contact with the City of Tucson Water and the City has no problem providing a permanent source of water to residents of Sleepy Hollow.

Staff recommends that the Commission approve the cancellation of Sleepy Hollows CC&N with the condition that the Company complies with the following recommendations.

1. The Company file the appropriate ADWR forms to update the status of its well. The Notice of Well Capping Form and the instructions for filling out this form are available at the following web sites:

http://www.azwater.gov/azdwr/WaterManagement/NOI/documents/55-39NoticeofWellCapping_rev_2_11_09.pdf

http://www.azwater.gov/azdwr/WaterManagement/NOI/documents/documents/55-39instructionsWellCapping_rev6_2010ZZ.pdf

2. The Company file as a compliance item in this docket within 45 days of the effective date of the Commission's Decision in this matter, copy of the completed Notice of Well Capping Form including proof of filing with ADWR.

TABLE OF CONTENTS

| | <u>Page</u> |
|---------------------------|-------------|
| INTRODUCTION | 1 |
| COMPANY WATER SYSTEM..... | 1 |
| OPERATION AND RATES..... | 1 |
| COMPLIANCE | 1 |
| RECOMMENDATIONS..... | 2 |

ATTACHMENT(S)

| | |
|-------------------------|---|
| ENGINEERING REPORT..... | A |
| ENGINEERING MAP | B |

INTRODUCTION

On July 19, 2010 Sleepy Hollow Mobile Home Estates ("Sleepy Hollow" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for approval to cancel the Certificate of Convenience and Necessity ("CC&N") of Sleepy Hollow. Sleepy Hollow is an Arizona non-profit corporation, granted a CC&N on November 28, 1995. Sleepy Hollow is a ten acre mobile home park, with approximately 283 spaces, located in the City of Tucson ("City"), Pima County, Arizona.

COMPANY WATER SYSTEM

Since the 1960, the system has consisted of a well, a pressure tank, distribution system and an interconnection to the City of Tucson Water ("City") system for backup. The interconnection with the City is currently being used as the sole source of water. Meters also existed for residents who owned their home unit while, residents renting their home did not have meters.

OPERATION AND RATES

The application was filed because the Company was no longer operating as a water company, the Company's well was not operational and water service was being provided by the City. In responses to Commission Utilities Division Staff ("Staff") Data Requests the Company informed Staff that the well which was drilled in 1947 "is dry", that "... with all the regulations it is not profitable to run its own private well" and that the Company has a permanent connection to the City and has no plans to open the Company's water well in the future. Staff understands that the Company no longer reads any customer meters and that water service is included in the mobile home park rental fee. Staff has been in contact with the City and the City has no issues with the applicant and providing a permanent source of water to residents of Sleepy Hollow.

COMPLIANCE

No Annual Report was filed by Sleepy Hollow for 2009. The Company's Annual Report filed for 2008 included limited data. In the 2008 Report the Company referred to problems with adequate supply and that the Company would soon be dependent on the City for its water supply.

Staff was informed by Arizona Department of Environmental Quality ("ADEQ") that Pima County Department of Environmental Quality ("PDEQ") had placed the Sleepy Hollow water system, ADEQ Public Water System ("PWS") ID No. 20-094 on inactive status. In a notice to Sleepy Hollow dated June 28, 2010, PDEQ in accordance with Arizona administrative Code R18-4-102, 40 CFR 141.2 and Arizona Revised Statutes §49-352.B, informed the Company that PWS ID No. 20-094 no longer met the definition of public water system as of the date of the notice. The PDEQ notice referenced that the Company well had been shut down and that a permanent connection had been established with the City's water system.

Staff forwarded the PDEQ notice of water system inactivation to Arizona Department of Water Resources ("ADWR"). As a result, ADWR placed Sleepy Hollow on inactive water provider status as of August 23, 2010. Sleepy Hollow is within the ADWR Tucson Active Management Area, and consequently is subject to reporting and conservation rules. ADWR reported that at the time of inactivation the Company was in compliance with Departmental regulations governing water providers. According to ADWR records the Sleepy Hollow well (ADWR Well ID No. 604101) is still in active status. Since this well has been permanently capped and is longer in use Staff recommends that the Company file the appropriate ADWR forms to update the status of its well.

RECOMMENDATIONS

Staff recommends that the Commission approve the cancellation of Sleepy Hollows CC&N with the condition that the Company complies with the following recommendations.

1. The Company file the appropriate ADWR forms to update the status of its well. The Notice of Well Capping Form and the instructions for filling out this form are available at the following web sites:

http://www.azwater.gov/azdwr/WaterManagement/NOI/documents/55-39NoticeofWellCapping_rev_2_11_09.pdf


http://www.azwater.gov/azdwr/WaterManagement/NOI/documents/documents/55-39instructionsWellCapping_rev6_2010ZZ.pdf

2. The Company file as a compliance item in this docket within 45 days of the effective date of the Commission's Decision in this matter, a copy of the completed Notice of Well Capping Form including proof of filing with ADWR.

MEMORANDUM

DATE: September 15, 2010

TO: Kiana M. Sears
Executive Consultant

FROM: Del Smith 
Engineering Supervisor

RE: APPLICATION OF SLEEPY HOLLOW MOBILE HOME ESTATES FOR
CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY (DOCKET NO. W-02822A-10-0296)

Introduction

Sleepy Hollow Mobile Home Estates ("Sleepy Hollow" or "Company") has applied to the Arizona Corporation Commission ("Commission") to cancel its Certificate of Convenience and Necessity ("CC&N"). The Company was granted a CC&N in Commission Decision No. 59393, dated November 28, 1995, to provide water service to a ten acre mobile home park located in the City of Tucson ("City"), Pima County, Arizona.¹ According to the Decision the Company was serving a 283 space mobile home and RV park that had been in existence since the 1960's. At that time the water system consisted of a well, a pressure tank, distribution system and an interconnection to the City water system for backup. Residents who owned their own mobile homes were metered while other residents who rent the mobile home from the park were not metered.² The subject application was filed because the Company was no longer operating a water company, the Company's well was not operational and water service was being provided by the City.³ In responses to Commission Utilities Division Staff ("Staff") Data Requests the Company informed Staff that the well which was drilled in 1947 "is dry", that "... with all the regulations it is not profitable to run its own private well" and that the Company has a permanent connection to the City and has no plans to open the Company's water well in the future. Staff understands that the Company no longer reads any customer meters and that water service is included in the mobile home park rental fee.⁴ Staff has been in contact with the City and the City has no problem with the subject application and providing a permanent source of water to residents of the mobile home park.

¹ More specifically, the CC&N granted was located in Section 35 of Township 13 South, Range 13 East.

² The Company's Annual Report filed for 2008 listed 89 metered connections.

³ See cover letter to the application.

⁴ See Company responses to Staff's First Set of Data Requests.

Company Water System

No Annual Report was filed by Sleepy Hollow for 2009. The Company's Annual Report filed for 2008 included limited data. In the 2008 Report the Company referred to problems with adequate supply and that the Company would soon be dependant on the City for its water supply.⁵ The 2008 Report lists one well Arizona Department of Water Resources ("ADWR") ID Number 604101, a 5,000 gallon pressure tank and 6,500 feet of distribution mains as water company plant.

Arizona Department of Environmental Quality ("ADEQ") Compliance Status

Staff sent ADEQ a compliance status request and on August 23, 2010, Staff was informed by ADEQ that Pima County Department of Environmental Quality ("PDEQ") had placed the Sleepy Hollow water system, ADEQ Public Water System ("PWS") ID # 20-094 on inactive status. In a notice to Sleepy Hollow dated June 28, 2010, PDEQ in accordance with Arizona administrative Code R18-4-102, 40 CFR 141.2 and Arizona Revised Statutes § 49-352.B, informed the Company that PWS ID # 20-094 no longer met the definition of public water system as of the date of the notice. The PDEQ notice referenced that the Company well had been shut down and that a permanent connection had been established with the City's water system.

ADWR Compliance

Staff forwarded the PDEQ notice of water system inactivation to ADWR. As a result ADWR placed Sleepy Hollow on inactive water provider status as of August 23, 2010. Sleepy Hollow is within the ADWR Tucson Active Management Area, and consequently is subject to reporting and conservation rules. ADWR reported that at the time of inactivation the Company was in compliance with Departmental regulations governing water providers.⁶ According to ADWR records the Sleepy Hollow well (ADWR Well ID Number 604101) is still in active status. Since this well has been permanently capped and is longer in use Staff recommends that the Company file the appropriate ADWR forms to update the status of its well. The Notice of Well Capping Form and the instructions for filling out this form are available at the following web sites:

http://www.azwater.gov/azdwr/WaterManagement/NOI/documents/55-39NoticeofWellCapping_rev_2_11_09.pdf

http://www.azwater.gov/azdwr/WaterManagement/NOI/documents/documents/55-39instructionsWellCapping_rev6_2010ZZ.pdf

⁵ See hand written notes on Page 5 in the 2008 Report.

⁶ Compliance status as of August 23, 2010.

Staff further recommends that the Company file as a compliance item in this docket, within 45 days of the effective date of the Commission's Decision in this matter, a copy of the completed Notice of Well Capping Form including proof of filing with ADWR.

Commission Compliance

A check with the Utilities Division Compliance Section showed no delinquent compliance items for Sleepy Hollow.⁷

Summary

Conclusions

1. Staff concludes that the proposed CC&N cancellation will not have an adverse effect on Sleepy Hollow's customers and their water service.
2. PDEQ had placed the Sleepy Hollow water system, ADEQ PWS ID # 20-094 on inactive status.
3. ADWR reported that at the time of inactivation the Company was in compliance with Departmental regulations governing water providers.
4. A check with the Utilities Division Compliance Section showed no delinquent compliance items for Sleepy Hollow.
5. Staff has been in contact with the City and the City has no problem with the subject application and providing a permanent source of water to residents of the mobile home park.


Recommendation


1. Staff recommends that the Company file the appropriate ADWR forms to update the status of its well. Staff further recommends that the Company file as a compliance item in this docket, within 45 days of the effective date of the Commission's Decision in this matter, a copy of the completed Notice of Well Capping Form including proof of filing with ADWR.

⁷ Compliance status as of September 10, 2010.

MEMORANDUM

TO: Kiana Sears
Executive Consultant I
Utilities Division

FROM: Lori H. Miller 
Programs and Projects Specialist II
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: August 3, 2010

RE: **SLEEPY HOLLOW MOBILE HOME ESTATES (DOCKET NO. W-02822A-10-2096)**

Sleepy Hollow has filed an application to cancel its CC#N. Service will be provided by the City of Tucson.

Attached is a copy of the map for your files.

/lhm

Attachment

cc: Mr. Danny F. Ng
Ms. Deb Person (Hand Carried)
Mr. Del Smith

PIMA COUNTY

RANGE 13 East

TOWNSHIP 13 South

